

GARY R. HERBERT Governor

GREGORY S. BELL Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 3, 2012

Louis Pratt, Jr. Kane County 76 North Main Street Kanab, Utah 84741

Subject: Reclamation Surety Required, Kane County, Kane County EWP 2012 Mine, S/025/0030, Kane County, Utah

Dear Mr. Pratt:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on March 22, 2012, is complete <u>with the exception of the reclamation bonding requirement</u>. The required reclamation surety for the approximately 6 acres of disturbance identified in your NOI is \$31,900.00 for a 3-year surety adjustment period. This was determined based on information in the following table.

Small Mine Bond Calculation Worksheet (3-year Bond Adjustment Period)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	5	\$4,800.00	\$24,000.00
TOTAL			\$31,900.00

Please submit the reclamation surety and reclamation contract within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at bondcoordinator@utah.gov for assistance in completing this requirement.



Louis Pratt, Jr. Page 2 of 2 S/025/0030 May 3, 2012

Please contact me at 801-538-5261 or Peter Brinton at 801-538-5258 if you have any questions regarding this letter. In reply please refer to file number S/025/0030.

Sincerely,

Paul B. Baker

Minerals Program Manager

PBB: pnb: eb

 $P:\GROUPS\MINERALS\WP\M025-Kane\S0250030-Kane\CountyEWP2012\final\TENT-4752-05022012.doc$